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UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,)	No. CV 11-3582-GW-SS
Plaintiff,)	
v.)	Consolidated With CV 13-9169-GW-SS
)	
ONE WHITE CRYSTAL-COVERED "BAD)	
TOUR" GLOVE AND OTHER MICHAEL)	JOINT STATUS REPORT REGARDING
JACKSON MEMORABILIA;)	SETTLEMENT AND STATUS
REAL PROPERTY LOCATED ON)	CONFERENCE
SWEETWATER MESA ROAD IN MALIBU,)	
CALIFORNIA; ONE 2011 FERRARI 599)	
GTO,)	
)	
Defendants.)	

1 On October 13, 2014, the United States and the Sweetwater Claimants
2 (jointly the “Parties”) entered into a Stipulation and Settlement Agreement (the
3 “Joint Stipulation”) resolving the above-captioned, which was approved by the
4 Court on October 15, 2014.

5 Pursuant to the Joint Stipulation, the Defendant *Res* was to be liquidated and
6 the proceeds of that liquidation (“Liquidation Proceeds”) handled by the parties
7 pursuant to the terms of the Joint Stipulation. Specifically, the Joint Stipulation
8 required that \$10.3 million of the Liquidation Proceeds be forfeited to the United
9 States and the remainder of the Liquidation Proceeds (“Remainder Liquidation
10 Proceeds”) be used as contemplated by the settlement agreement by, among the
11 possibilities, a charity or other organization(s) for the benefit of the people of
12 Equatorial Guinea. The use of the remainder of the Liquidation proceeds is to be
13 either selected by the Sweetwater Claimants and the United States by mutual
14 agreement or selected by a panel. Pursuant to the Joint Stipulation, the Court
15 retained jurisdiction over this matter.
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17 On April 29, 2019, a status conference was convened before the Court to
18 provide the Court with an update as to the status of the implementation of the terms
19 of the Joint Stipulation. At the Status Conference, the Parties informed the Court
20 that the Parties had reached an agreement in principle as to a third-party entity (the
21 “Potential Entity”) to receive a portion of the Liquidation Proceeds to be used for
22 the benefit of the Equatoguinean people. The Court directed the Parties to file a
23 joint status report regarding the distribution of the Liquidation Proceeds by June 26,
24 2019.

25 On June 26, 2019, the Parties filed a Status Reporting confirming, among
26 other things, that Since the Status Conference, representatives of the Parties have
27 continued to engage in constructive discussions, including with representatives of
28

1 the Potential Entity, both in the United States and the Republic of Equatorial Guinea
2 to detail a specific plan to disburse a portion of the Liquidation Proceeds to benefit
3 the people of Equatorial Guinea. Among other things, the Parties reported that the
4 Potential Entity and the Parties have discussed the possibility of utilizing the
5 Liquidation Proceeds for educational purposes to benefit Equatoguinean students.
6 A further status conference was convened before the Court on July 1, 2019. On
7 July, 30, 2019, a further status conference was scheduled for August 29, 2019. On
8 August 28, 2019, the Court on its own motion continued the status conference
9 previously scheduled for August 29, 2019.

10 On December 5, 2019, the Court set a status conference for December 12,
11 2019. At that status conference, the Parties reported that they were continuing to
12 have constructive discussions with the Potential Entity to implement the Joint
13 Stipulation. On December 12, 2019, the Court scheduled a further status conference
14 for September 10, 2030, and directed the Parties to file a joint status report regarding
15 the settlement by September 8, 2020.

16 Since the December 2019 Status Conference, the Parties have continued to
17 have constructive discussions with both each other and the Potential Entity to utilize
18 the Liquidation Proceeds. Because, however, the Parties have not been able to
19 identify a charity to receive custody and control of the Liquidation Proceeds, the
20 Parties propose that a three-member panel be formed (the “Panel”) to distribute the
21 Liquidation Proceeds consistent with, among others, Paragraph 26 of the Joint
22 Stipulation.

23 Paragraph 26 provides in relevant part that if the Parties cannot identify a
24 charity to receive the Liquidation Proceeds by mutual agreement:

25 [A] three-member panel (the “Panel”) will ne formed to receive custody and
26 control of [the Liquidation Proceeds] The Panel will be comprised of a
27
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1 member selected by the United States, a member selected by the Government
 2 of the Republic of Equatorial Guinea, and a Panel Chairman selected jointly
 3 by the United States and Nguema. . . All decisions of the Panel will be
 4 decided by a majority vote of its members. All decisions of the panel are
 5 final and the Parties waive all rights to contest, appeal or otherwise challenge
 6 the Panel's decisions so long as such decisions are consistent with the terms
 7 of the [Joint Stipulation]. The Parties agree that the funds disbursed to the
 8 Charity or the Panel . . . will be so provided on the condition that the funds
 9 be used for the benefit of the people of the Republic of Equatorial Guinea.

10 Accordingly, consistent with the terms of the Joint Stipulation, the United
 11 States and the Government of Equatorial Guinea propose to select their respective
 12 Panel members by no later than November 10, 2020. The Parties will also jointly
 13 select a Panel Chairman by mutual agreement by November 23, 2020. Once
 14 formed, the Panel will provide an update to the Parties regarding the use of the
 15 Liquidation Proceeds by no later than March 1, 2021.
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17
 18 Respectfully submitted,

19 DATED: September 8, 2020 Deborah L. Conner, Chief
 20 Money Laundering & Asset Recovery Section
 21 Criminal Division
 22
 23 S/Woo S. Lee
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DATED: September 8, 2020 FISHER & KREKORIAN

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